



DEPARTMENT OF THE AIR FORCE  
HEADQUARTERS AIR FORCE MATERIEL COMMAND  
WRIGHT PATTERSON AIR FORCE BASE, OHIO

18 JUN 2002

MEMORANDUM FOR SEE DISTRIBUTION

FROM: HQ AFMC/PK  
4375 Chidlaw Road, Room S208  
Wright-Patterson AFB OH 45433-5006

SUBJECT: Special Interest Item (SII) #01-A 4<sup>th</sup> Quarter Review – Service Contracts

1. The 4<sup>th</sup> quarter SII review required sites to submit a completed checklist for all service contracts with actions in FY01 or later. While recognizing that this was an intensive review, the effort was necessary to determine how AFMC is performing in critical areas.

2. Findings:

Multiple Award Contracts:

SII Question 3. Technical reviews or some other method of price reasonableness not performed and documented.

Fair Opportunity:

SII Question 4. Not providing each awardee a fair opportunity to be considered for each order exceeding \$2,500 issued under a multiple award contract.

Performance-Based Contracting:

SII Question 7a. Not describing requirements in terms of results (performance based).  
SII Question 7b. Not documenting measurable performance standards.  
Timeliness of the surveillance not consistent with established guidelines.  
SII Question 8c. Method used for surveillance not consistent with the established guidelines.  
SII Question 8d. Surveillance folders not up to date.  
SII Question 8e. Quality Assurance Surveillance Plan (QASP) not developed for the contract.  
SII Question 8f. Service Delivery Summary (SDS) not prepared and included in the Statement of Work citing the performance objectives and performance thresholds.

A&AS:

SII Question 9. Determination/Decision Document (DDD) not included in the contract file.

Other problems identified:

Miscoded actions (DD350): Many supply contracts were incorrectly coded as a service contract based on field comments (commodities, spares, supplies with incidental services, overhaul and repair, remanufacturing). When contracts are not correctly coded, we lose confidence in our reports, and statistics are skewed at all levels. It isn't too late to correct FY02 actions in the DD350 system.

Classification of A&AS contracts: There is concern about the number of engineering services and information technology services contracts not classified as A&AS based on the short description of services provided on the checklists. As an aid in proper classification of AFMC services, refer to the *AFMC Advisory and Assistance Services (A&AS) Guide*, Attachment 3, located at <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DR/PBSA/aas.htm>.

3. Based on the SII findings and field questions, our policy office is working closely with SAF/AQCP on the revision of AFI 63-124, Performance-Based Services Acquisition, to ensure that any ambiguities are removed and application of specific contracts (GSA orders, DCMA administered contracts, mandatory sources) is clearly addressed.
4. All contracting personnel who currently work or anticipate working services contracts, are required to complete the Services Acquisition Computer-Based Training by 1 Oct 02. Supervisors should also be familiar with this information. This training is located at <https://www.afmc-mil3.wpafb.af.mil/pk-cbt/strain3.asp>.
5. I appreciate your diligent efforts and recommend that you use your checklist data and these findings to focus on areas of improvement at your activity. If you have any questions on this subject, please contact my action officer, Ms. Sylvia Youngman, HQ AFMC/PKPC, at DSN 787-4852, or [sylvia.youngman@wpafb.af.mil](mailto:sylvia.youngman@wpafb.af.mil).



JEFFREY P. PARSONS  
Colonel, USAF  
Director of Contracting

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